

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

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|--------------------------|---|--|
| UNITED STATES OF AMERICA | : | CRIMINAL NO. _____ |
| v. | : | DATE FILED: _____ |
| GERALD L. KATZOFF | : | VIOLATION: 18 U.S.C. § 1014 |
| | : | (False statements to the Resolution Trust Corporation - 4 counts) |

INDICTMENT

COUNT 1

THE GRAND JURY CHARGES THAT:

1. Defendant GERALD L. KATZOFF was a personal guarantor on eleven loans from Gold Coast Federal Savings Bank, Plantation, Florida ("Gold Coast"), with a book value of approximately \$6.67 million, and a personal guarantor on four loans from Atlantic Financial Savings, FA, Bala Cynwyd, Pennsylvania ("Atlantic Financial"), with a book value of approximately \$3.93 million.

2. The Resolution Trust Corporation ("RTC") was a federal agency and a federally-chartered corporation established by Congress in 1989. The RTC was required to contain, manage, and resolve failed savings and loan institutions ("S&Ls") that were federally insured. The RTC also was required to manage and sell the assets of failed S&Ls.

3. From in or about July 1990, to in or about March 1993, defendant GERALD L. KATZOFF was negotiating with the RTC to resolve his outstanding obligations with Gold Coast and Atlantic Financial, which the RTC owned as a result of the failure of those S&Ls.

4. Defendant GERALD L. KATZOFF concealed assets from the RTC in the following ways:

a. On or about October 9, 1990, two trusts were established purportedly for the benefit of defendant GERALD L. KATZOFF's son. R.B., a person known to the grand jury, was named trustee of these trusts and had the sole authority to distribute property, income, or principal in cash and/or in kind from them.

b. On or about January 31, 1992, defendant GERALD L. KATZOFF concealed 23,698 shares of Jefferson Bank stock, valued at \$106,641, by transferring it from a personal account of his to a Trust account purportedly for the benefit of his son at Prudential Securities (the "Prudential Trust account"). All but 2,000 shares of this stock remained in this account until on or about December 10, 1993.

c. On or about December 15, 1992, New Delview Place Associates, a Pennsylvania limited partnership, conveyed an apartment complex located in Wilmington, Delaware, to New Delview Partners, L.P., a Delaware limited partnership, for \$1,440,000. Defendant GERALD L. KATZOFF, who owned a fifty-percent interest in New Delview Place Associates, received at least \$125,000 in proceeds from the sale of the complex.

d. On or about December 15, 1992, defendant GERALD L. KATZOFF caused to be deposited the proceeds from the sale of the apartment complex into the Prudential Trust account.

e. On or about January 31, 1993, the market value of the Jefferson Bank stock in the Prudential Trust account was approximately \$157,311.

f. On or about February 9, 1993, defendant GERALD L. KATZOFF submitted a personal financial statement and financial affidavit to the RTC, both of which reflected that he did not own any securities. The financial affidavit also falsely reflected that KATZOFF had received zero consideration or value for the conveyance of the Wilmington, Delaware apartment complex.

g. From on or about July 16, 1992, to on or about March 16, 1993, defendant GERALD L. KATZOFF caused to be made \$329,134 in withdrawals from the Prudential Trust account.

5. On or about March 3, 1993, based upon defendant GERALD L. KATZOFF's representations about his assets in his personal financial statement and financial affidavit, the RTC forgave KATZOFF's obligations on his eleven Gold Coast loans totaling \$6.67 million, in exchange for a cash payment of \$177,500 and the RTC's acceptance of deeds in lieu of foreclosure for real properties that secured nine of the loans.

6. On or about March 3, 1993, based upon defendant GERALD L. KATZOFF's representations about his assets in his personal financial statement and financial affidavit, the RTC forgave KATZOFF's obligations, and released the collateral, valued at approximately \$2,125,000, on his four Atlantic Financial loans totaling \$3.93 million, in exchange for a cash payment of \$1,105,000.

7. On or about February 9, 1993, at Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

GERALD L. KATZOFF

knowingly made a false statement or report, that is, he falsely reported on a financial statement and financial affidavit submitted to the RTC that he owned and controlled securities with a value of \$0,

for the purpose of influencing the action of the RTC upon the acceptance of security for loans totaling \$6.67 million made by Gold Coast Federal Savings Bank, when in truth and fact, as he then well knew, KATZOFF owned and controlled approximately \$157,311 in Jefferson Bank stock.

In violation of Title 18, United States Code, Section 1014.

COUNT 2

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-6 of Count 1 of this Indictment are realleged here.
2. On or about February 9, 1993, at Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

GERALD L. KATZOFF

knowingly made a false statement or report, that is, he falsely reported on a financial statement and financial affidavit submitted to the RTC that he owned and controlled securities with a value of \$0, for the purpose of influencing the action of the RTC upon the release of security for loans totaling \$3.93 million made by Atlantic Financial Savings, FA, when in truth and fact, as he then well knew, KATZOFF owned and controlled approximately \$157,311 in Jefferson Bank stock.

In violation of Title 18, United States Code, Section 1014.

COUNT 3

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-6 of Count 1 of this Indictment are realleged here.
2. On or about February 9, 1993, at Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

GERALD L. KATZOFF

knowingly made a false statement or report, that is, he falsely reported on a financial affidavit submitted to the RTC that he had received zero consideration or value for the conveyance of a Wilmington, Delaware apartment complex, for the purpose of influencing the action of the RTC upon the acceptance of security for loans totaling \$6.67 million made by Gold Coast Federal Savings Bank, when in truth and fact, as he then well knew, KATZOFF had received at least \$125,000 in proceeds from the sale of the complex.

In violation of Title 18, United States Code, Section 1014.

COUNT 4

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-6 of Count 1 of this Indictment are realleged here.
2. On or about February 9, 1993, at Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

GERALD L. KATZOFF

knowingly made a false statement or report, that is, he falsely reported on a financial affidavit submitted to the RTC that he had received zero consideration or value for the conveyance of a Wilmington, Delaware apartment complex, for the purpose of influencing the action of the RTC upon the release of security for loans totaling \$3.93 million made by Atlantic Financial Savings, FA, when in truth and fact, as he then well knew, KATZOFF had received at least \$125,000 in proceeds from the sale of the complex.

In violation of Title 18, United States Code, Section 1014.

A TRUE BILL:

FOREPERSON

PATRICK L. MEEHAN
United States Attorney